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# **China, Peoples Republic of**

## **Market Development Reports**

### **Xian (Shaanxi) Changle Fresh Fruit Wholesale**

### **Market**

### **2001**

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#### **Report Highlights:**

**Xian still is the main distribution point for imported fresh fruit entering northwestern China. A wide variety of imported fruit is available at Xian's Changle market, but sales have not been as good as in previous years.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Guangzhou [CH3], CH

Xian, the gateway to China's western regions, still is the main distribution point for imported fresh fruit entering northwestern China. Compared to 1998, when Post last visited the city's main fresh fruit wholesale market, the number of local distributors handling imported fruit remains about the same and they continue to source most of their fruit from Guangdong province's main imported fruit markets. However, unlike two years ago, most of these distributors claim that business lately has not been as good as in the past. Xian is the capital of China's Shaanxi province, located in the country's north central region, and one of the country's major tourist destinations.

The Changle Fruit Wholesale Market is Xian's main fruit wholesale market, just as it was in 1998 when Post last visited. Altogether four distributors that mainly focus on imported fruit operate out of the market and offer a variety of imported fruit, the same number as in 1998. A couple of other distributors also offer some imports, but usually only one or two varieties. One company at the market, for example, only sold mangoes and claimed that all of his produce came from Indochina. The distributors also indicated that their best sales periods remain unchanged, the holiday periods. One added that February to May is his best sales period, a time when not only China's biggest holiday season (Spring Festival) occurs, but also when domestic fruit is in short supply.

During this visit by Post, many different varieties of imported fresh fruit were available, including: table grapes, lemons, dragon fruit, apples, grapefruit, tangerines, oranges, and plums. Most of this fruit had originated from southern hemisphere countries (i.e. Chile, New Zealand, and South Africa), except for plums. The plums were from the U.S. State of California. One distributor said that among the different types of fruits he sells Southeast Asian varieties tend to do the best. Point of Purchase posters decorate the walls of a few of the importers, mostly promoting California table grapes and Florida grapefruit. Few other materials are present.

Distributors at the market claimed that their current wholesale prices for various imported fruits were as follows: oranges eight to ten RMB (\$ 0.97 - 1.21) per kilogram, lemons ten to twelve RMB (\$ 1.21 - 1.45) per kilogram, grapes 16 to 30 RMB (\$ 1.94 - 3.63) per kilogram, apples 12 to 14 RMB (\$ 1.45 - 1.69) per kilogram, grapefruit approximately 11 RMB (\$ 1.33) per kilogram, and plums approximately 16 RMB (\$ 1.94) per kilogram. The U.S. Dollar during the middle of August 2000 equaled 8.26 Chinese RMB.

The distributors cited both Huadu and Lishui Fruit Wholesale Markets in Guangdong province as their sources for imported fruit, but most had a preference for Huadu over Lishui. Lower prices at that market compared to Lishui was the most cited reason. The distributors mainly rely on trucks to deliver their fruit from Guangdong province. The journey usually takes a couple of days.

Unlike in 1998, interviewed distributors were not as upbeat about the future. In general, they all agreed that business was much better in the past compared to the present. The cited reasons for this outlook included: an increase in local fruit's quality, low local fruit prices, improved distribution of local fruit, and decreased local consumer spending. In addition, despite China's upcoming entry into the World Trade Organization leading to lower tariffs for their products in

the near future, the distributors had little to say about how the situation would affect their business. One distributor believes entry would have an effect, but the changes would be slow to materialize.

Another situation that has not changed over the last couple of years is the continued existence of sticker fraud. As during 1998, fruit sticker sellers still operate at the market. Although many of the stickers for sale denote famous overseas fruit brands (i.e. Zespri, Outspan, Sunkist, etc.) and the stickers' quality is inconsistent, some of the stickers for sale only have Chinese characters and advertise local brands. Among the sellers of domestic fruit, stickers representing local and overseas brands were used inter-changeably. For example, locally printed Washington apple stickers on domestically produced pears is common.